

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 478

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO TAXATION; CHANGING THE GROSS RECEIPTS TAX AND  
COMPENSATING TAX DEDUCTIONS FOR FUEL SPECIALLY PREPARED AND  
SOLD FOR TURBOPROP OR JET-TYPE ENGINES; PROVIDING  
DISTRIBUTIONS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.7 NMSA 1978 (being Laws 1994,  
Chapter 5, Section 2, as amended) is amended to read:

"7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND. --

A. A distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to the state aviation fund in an amount  
equal to four and seventy-nine hundredths percent of the  
taxable gross receipts attributable to the sale of fuel  
specially prepared and sold to commercial aviation operators  
for use in turboprop or jet-type engines as determined by the

1 department.

2 B. A monthly distribution pursuant to Section  
3 7-1-6.1 NMSA 1978 shall be made to the state aviation fund in  
4 an amount equal to three and seven hundred seventy-five  
5 thousandths percent of the taxable gross receipts attributable  
6 to the sale of fuel specially prepared and sold to persons or  
7 entities that are not commercial aviation operators for use in  
8 turboprop or jet-type engines as determined by the department.

9 [~~B.~~] C. A distribution pursuant to Section 7-1-6.1  
10 NMSA 1978 shall be made to the state aviation fund in an amount  
11 equal to twenty-six hundredths percent of gasoline taxes,  
12 exclusive of penalties and interest, collected pursuant to the  
13 Gasoline Tax Act.

14 [~~C.~~] D. From July 1, 2002 through June 30, 2007, a  
15 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
16 made to the state aviation fund in an amount equal to forty-six  
17 thousandths percent of the net receipts attributable to the  
18 gross receipts tax distributable to the general fund.

19 E. For the purposes of this section, "commercial  
20 aviation operator" means a person or entity that, for  
21 compensation or hire, engages in the carriage by aircraft in  
22 air commerce of persons or property in accordance with part 121  
23 and scheduled air operations pursuant to part 135 of Title 14  
24 of the Code of Federal Regulations."

25 Section 2. Section 7-9-83 NMSA 1978 (being Laws 1993,

. 157327. 1

1 Chapter 364, Section 1, as amended) is amended to read:

2 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL. --

3 A. [~~From July 1, 2003 through June 30, 2007~~] Fifty-  
4 five percent of the receipts from the sale of fuel specially  
5 prepared and sold to commercial aviation operators for use in  
6 turboprop or jet-type engines as determined by the department  
7 may be deducted from gross receipts.

8 B. [~~After June 30, 2007, forty percent of the~~  
9 ~~receipts from the sale of fuel specially prepared and sold for~~  
10 ~~use in turboprop or jet-type engines as determined by the~~  
11 ~~department may be deducted from gross receipts.~~] For the  
12 purposes of this section, "commercial aviation operator" means  
13 a person or entity that, for compensation or hire, engages in  
14 the carriage by aircraft in air commerce of persons or property  
15 in accordance with part 121 and scheduled air operations  
16 pursuant to part 135 of Title 14 of the Code of Federal  
17 Regulations."

18 Section 3. Section 7-9-84 NMSA 1978 (being Laws 1993,  
19 Chapter 364, Section 2, as amended) is amended to read:

20 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL. --

21 A. [~~From July 1, 2003 through June 30, 2007~~] Fifty-  
22 five percent of the value of the fuel specially prepared and  
23 sold to commercial aviation operators for use in turboprop or  
24 jet-type engines as determined by the department may be  
25 deducted in computing the compensating tax due.

. 157327. 1

